

PHILIPPINE DAILY INQUIRER

THURSDAY
APRIL 10, 2008

NFA plans to raiseselling price of rice

But agency declines to disclose timetable

THE NATIONAL FOOD Authority is considering raising the price of government-subsidized rice to help increase the income of rice farmers and reduce its huge losses.

"We can't keep prices too low because our farmers might be affected," NFA Administrator Jesus Navarro yesterday said at a news conference.

The NFA currently sells its subsidized rice at P18.25 a kilo, while commercial rice is retailed at more than P30 in public markets and grocery stores.

Navarro said the retail price of the subsidized rice should already be twice the price of *palay* (unhusked rice), which it buys at P17 a kilo.

He said the proposal to increase prices was brought about by heavy losses incurred by the NFA. The state-run agency's losses have amounted to about P43 billion since 2003.

"It is something that we are evaluating," the NFA chief said of the price increase. He declined to give a timetable for the implementation of the increase.

Poor Filipinos are already queuing for hours to buy subsidized rice to feed their families and raising its price would be a controversial move amid climbing costs for other basic commodities.

The prices of rice have hit record levels on the international market amid tight global supplies.

At the Lucena City public market, a variety of commercial rice is now sold at more than P40 a kilo. A kilo of "*dinorado*," which was being sold at P35 per

kilo two days ago, was retailed at P42 a kilo yesterday.

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NFA plans to raise selling price of rice

A rice store owner predicted that the price of "dinorado" would reach P50 a kilo in a couple of days due to scarcity.

Unless Malacañang steps in to close the gap in the prices of government-subsidized rice and commercial rice, riots in the streets could break out, Nueva Ecija Rep. Edno Joson warned yesterday.

While there is no rice shortage, the government could face a serious problem because of the "big disparity" in the selling prices of NFA rice and commercial rice, Joson said.

"If we run out of the NFA rice prematurely, there will be long queues, and there will be panic buying," the lawmaker said at the Ayes & Nays press forum.

Consumers have no choice but to buy commercial rice should the NFA stock is depleted, said Joson, who served as NFA administrator during the Estrada administration.

"If that happens, we may experience the price riots like what happened in Indonesia and Egypt. Because of the soaring prices, there will be chaos," he said.

Food shortages to go on

Jacques Diouf, director general of the Food and Agriculture Organization, yesterday said that high food prices and shortages would continue in the near term, making some poorer countries vulnerable to food riots.

The Philippines, one of the world's biggest importers of rice, is struggling to source supply as exporting countries clamp down on shipments to curb inflation and traders hoard the grain.

The country has pulled out all the stops in trying to source more supply of rice, including asking Asian governments to secure supplies. It has also lifted the rice import quota of the private sector.

A Swiss-based investment bank said the fiscal cost of importing rice at a high price and selling it at the current subsidized price could approach one percent of GDP (gross domestic product) in 2008. (See story on Page B1.)

Balancing act

Sen. Francis Escudero warned Malacañang against importing more rice than what the country needed because it could hurt the farmers.

While high prices hurt consumers, they provide an incentive for rice farmers to expand their production because of higher margins, according to Escudero.

"It's a tough balancing act. If imports exceed local demand, farmers will be hurt because it will be cheaper to import. They (farmers) will stop planting, we will now be dependent on imports. We will have no long-term food security," he said.

Reduced tariff

Escudero was worried that the government decision to lift the rice import quota of private traders could spell doom for the farmers should imported rice flood the market.

Under the new scheme, the NFA will charge private traders a minimum service fee of P2 per kilogram for importing the rice on their behalf and the private sector will not be subject to a hefty 50-percent tariff.

This move would be equivalent to private importers paying a tariff of under 10 percent, officials said.

Long queues at stores selling cheap rice, rationing and marking of buyers are sure signs that there is a rice shortage, the militant farmers group Kilusang Magbubukid ng Pilipinas said yesterday.

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PEOPLE with umbrellas protecting them from the heat of the April sun form a long line along Commonwealth Avenue in Quezon City to buy three kilograms of NFA rice at P18.25 per kilo.

JOAN BONDOC

"Now we see longer and longer lines of people queuing for NFA rice, but the regime has drastically reduced the ration for each consumer from three kilos per person to just one. They are now even using marking systems like indelible ink, IDs and Pentel pens to control the buying of rice," KMP chair Rafael Mariano said.

Mariano urged President Macapagal-Arroyo, the Department of Agriculture and the NFA to admit that there was an ongoing rice crisis.

He said the Arroyo administration should no longer hesitate in enforcing more drastic measures such as price controls to prevent food riots.

Authorities have raided warehouses as part of the crackdown on rice hoarders.

Raid in Bulacan

The National Bureau of Investigation (NBI) found 750 sacks of repolished NFA rice in a warehouse in Baliuag, Bulacan, during an inspection yesterday by its Anti-Rice Hoarding Task Force.

NBI special investigator Rodrigo Mapoy said the rice in NFA sacks turned inside out was found in the two warehouses of RMJR Rice Mill in Tangos, Baliuag, Bulacan, alongside 500 sacks of pure NFA rice.

Mapoy said the NFA would still be investigating whether a total of 109,776 sacks, valued at about P100 million, in the warehouses owned by Romeo Mariano Jr. was repackaged NFA rice.

In the Bicol region, the NFA has suspended 69 rice retailers for various offenses.

"The majority of the suspended retailers committed overpricing, diversion of stocks and selling rice without price tags," NFA-Bicol information officer Alda Papa said in a phone interview.

Of the suspended retailers, 23 operated in Sorsogon province, 20 in Camarines Sur, 19 in Camarines Norte, five in Catanduanes and two in Albay.

To preempt the diversion of NFA rice by unscrupulous traders who sell it as commercial variety, unarmed military reservists in fatigues are escorting NFA delivery trucks in Quezon province.

With reports from Reuters, AFP, TJ Burgonio, Allison W. Lopez and Jerome Aning in Manila; and Delfin T. Mallari Jr. and Jaymee T. Gamil, Inquirer Southern Luzon

MANILA STANDARD TODAY

THURSDAY
APRIL 10, 2008

US pledges to supply Manila with rice

By Francisco Alcuaz Jr.
and Glenys Sim

THE United States vowed to supply the Philippines with as much rice as the world's biggest buyer of the cereal needs after some of the largest exporters cut sales to safeguard domestic stockpiles.

"You are assured absolutely," US Ambassador to Manila Kristie Kenney told reporters in Bataan

yesterday.

President Arroyo on Tuesday announced plans to buy a million tons of the grain and said she would jail anyone found guilty of "stealing rice from the people."

She slammed her critics yesterday for playing politics even as the country faced a rice supply crunch.

"This is no time for political posturing. We need food on the

table and not headlines in the newspapers," Mrs. Arroyo said.

"We must invest, not just investigate. It is time for action and not political wrangling."

Rice, the staple food for half the world, has doubled in price in the past year as China, Egypt, Vietnam and India, representing more than a third of global shipments, reduced sales to secure domestic supplies. *Next page*

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The price of the cereal in Chicago rose 1.7 percent to \$20.825 per 100 pounds on Wednesday, below the record \$21.60 per 100 pounds on Tuesday.

"You might see another 10 or 20 percent move to the upside," said Vijay Iyengar, Singapore-based managing director of Agropcorp International Pte., a commodity trading company.

"Prices will be sustainable."

The Philippines is tightening controls over domestic sales and boosting overseas purchases to curb price rises and avoid the kind of unrest experienced by some African countries. The government plans to buy more rice at tenders in April and May.

The Philippines might increase its imports of milled rice by as much as 42 percent to 2.7 million tons this year, from 1.9 million tons in 2007, to discourage speculation by local traders, Agriculture Secretary Arthur Yap said on March 26.

US rice exports, the third largest behind those of Thailand and Vietnam, were forecast to jump 22 percent to 3.58 million tons in the year ended July 31, the US Department of Agriculture said March 11.

The cost of rice exports from Vietnam could rise by as much as \$200 a ton to \$900 in the next two months because of world price gains and the end of the winter-spring crop. Truong Van Anh, director of Long An Food Co., said by telephone from the Mekong-Delta farming region.

Commodity prices are posting their seventh year of gains.

The UBS Bloomberg Constant Maturity Commodity Index of 26 raw materials more than tripled in the past six years as global demand led by China outpaced supplies of metals and crops.

Global food prices increased 57 percent last month from a year earlier, the United Nations Food and Agriculture Organization said on its Web site. The increase resulted from higher meat and grain prices, including rice, corn and wheat, it noted.

"Food price trends are likely to increase sharply both the incidence and depth of food insecurity," John Holmes, United Nations undersecretary-general for Humanitarian Affairs, said in a speech in Dubai on Tuesday.

"Price rises will also result in lower school attendance rates, poorer health care and asset depletion."

Soaring prices could lead to increased unrest, such as in Haiti recently, the United Nations said in a report on April 7.

"What we see in Haiti is what we're seeing in many of our operations around the world—rising prices that mean less food for the hungry," the report said, citing the United Nations World Food Program's executive director Josette Sheeran.

Burkina Faso, Cameroon, Egypt, Indonesia, Ivory Coast, Mauritania, Mozambique and Senegal have also experienced unrest in the last several weeks related to food and fuel prices, according to the report.

Rising food prices are making life tougher in North Korea, says Daniel Pinkston, a Seoul-based senior analyst and non-proliferation expert with the International Crisis Group.

In the spring the past few years, North Korea had asked South Korea for fertilizer and food assistance, and this year they had not made this request, Pinkston said.

"I think they believe this would be a sign of weakness," he said.

**Bloomberg
with Roy Pelovello**

PHILIPPINE DAILY INQUIRER

**FRIDAY
APRIL 11, 2007**

Higher NFA rice price opposed

By Norman Bordadora,
Michelle V. Remo
and Gil C. Cabacungan Jr.

THE NATIONAL FOOD AUTHORITY'S plan to raise the selling price of government-subsidized rice is ill-timed, according to administration and opposition lawmakers.

"I don't think this is a wise idea when the poor are sweating under the scorching heat of the sun lining up just for two kilos of NFA rice," Speaker Prospero Nograles said yesterday.

Sen. Aquilino Pimentel Jr. warned that the Arroyo administration was "asking for trouble" with its plan to tinker with the NFA's subsidized prices.

"Raising rice prices now will have a double effect—raise the profits of rice traders and make it difficult for the people to afford it. Hunger knows no

law," Pimentel said in a text message to the INQUIRER. High food prices have triggered violent protests in a number of poor countries.

Militant groups are also opposed to the NFA plan.

Amid the criticism, Press Secretary Ignacio Bunye, the acting executive secretary, said the proposal to increase the price of NFA rice was still "under study."

Bunye said "a lot of consultations will have to be made before any increase is actually implemented."

NFA Administrator Jessup Navarro on Wednesday said that the agency was considering raising the price of its subsidized rice to reduce its losses and to help boost the income of rice farmers.

Currently, the NFA buys palay (unhusked rice) from farmers at P17 a kilo, an amount deemed too low by the producers, and sells it at P18 a kilo. Commercial rice traders buy palay from farmers at P19 a kilo and sell it at a much higher price, often at more than P30 a kilo.

People first

Nograles said the rice being distributed by the NFA was not meant to generate funds for the government but to provide affordable rice to the poor. "People first before profits," he said.

Sen. Francis Escudero, for his part, said the government should not worry about the mounting losses of the NFA from its subsidies because "it was not created to make money but to serve the people."

Escudero said the move to reduce the government's most direct subsidy to the poor was ill-timed considering the threat of spiraling inflation triggered by the shortage of basic commodities worldwide.

Focus on distribution

Escudero said that the government should instead focus on distribution and not on the pricing of NFA rice. "The NFA's main concern is to ensure that its subsidized rice goes only to the tables

of poor Filipinos and not to the giant warehouses of unscrupulous traders taking advantage of the situation," he said.

The NFA is set to conduct a public consultation on how much it should raise the price of subsidized rice, pressured to balance the interest of farmers on one hand and that of consumers on the other.

Navarro said the NFA should already increase its selling price to somehow help farmers improve their income and to avoid bloating the NFA's losses.

But Navarro also said the NFA should take into account the ability of the public to buy rice.

"We will have to consult all parties and government agencies concerned. We cannot just decide how much should be the increase without taking into account the opinion of everyone concerned," Navarro said in a phone interview.

Impact on poor

The NFA chief said representatives of the National Anti-Poverty Commission (NAPC), the Department of Labor and Employment, labor groups, and farmers' organizations, among

others, would be invited to the consultation.

The NAPC is expected to provide inputs on how an increase in the price of NFA rice would affect the number of poor Filipinos.

The government earlier reported that the poverty incidence in the Philippines rose to 33 percent in 2006 from 30 percent in 2003. This was largely a result of increasing prices, which made many Filipino households unable to meet the minimum amount of spending for food and other basic needs to go beyond the poverty line.

Rule of thumb

Navarro said the NFA was incurring huge losses because of the nature of its role, which is to ensure steady supply and temper increase in the price of rice.

As a rule of thumb, Navarro explained, the selling price of NFA rice should be twice the amount of the buying price of palay to cover costs of operation, marketing and transportation without incurring losses.

If this were followed, the NFA should be selling rice at P34 a kilo. But of course, the NFA said, selling rice at that price would not be reflective of its mandate. Still, a smaller price increase was required if the agency were to arrest its losses.

The NFA reported a net loss of P1.27 billion in 2007. The losses marked a substantial drop from P10.9-billion loss in 2006 as a result of measures to trim operational costs, according to the NFA.

Increasing the selling price of rice, however, was still necessary to substantially address the NFA's financial woes.

Import policy

Nathanael Santiago, Bayan Muna secretary general, said the NFA incurred more than P43 billion in losses since 2003 mainly due to President Macapagal-Arroyo's trade liberalization and importation policy.

"Since 2003, the landed cost of imported rice amounts to P23-P24 a kilo and [the NFA] sells it at P18.25 a kilo. That's an automatic P4.75-P5.75 shortfall per kilo," Santiago said.

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NO NUMBER, NO RICE. Rice buyers show their numbers as they line up to buy NFA rice in Barangay Baesa, Quezon City, on Wednesday.

JOAN BONDOC

"This will be worsened by the latest government importation of 500,000 metric tons, arriving in June, with an estimated landed cost of P31 a kilo," he stressed.

Santiago said NFA rice procurement from 2001 to 2006 was barely 0.05 percent of total palay production. "How can the Arroyo administration say that it helps in increasing farmers' incomes?" he said.

The party-list group reiterated calls for the government to stop rice importation, abandon its rice trade liberalization policy, stop land-use conversion, increase the NFA procurement capacity to 25 percent, and dismantle rice cartels.

Stop using farmers

The Kilusang Magbubukid ng Pilipinas said the NFA should stop using farmers as its excuse to jack up prices because it was not true that farmers were getting higher profits from this crisis.

Landlords actually control rice production in the country, KMP chair Rafael Mariano said in a statement.

Seven out of every 10 farmers do not own the land they till, Mariano said.

"It's the landlords who get the lion's share of the farmer's harvest. In the division of harvest there are various schemes that always favor the landlords. Whether it be 70-30, 60-40 or 50-50 it is the farmer who shoulders the work and the expenses," the peasant leader said.

Contingency plans

The Philippine National Police (PNP) said it had come up with contingency plans in case the rice crisis degenerates into widespread violence.

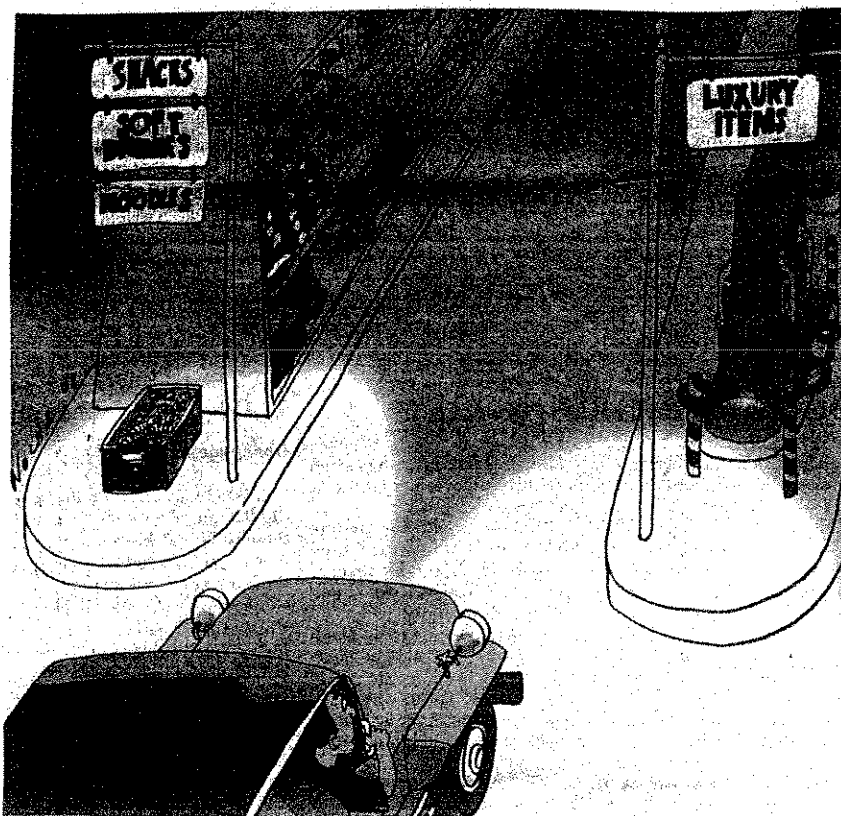
PNP Director General Avelino Razon yesterday told reporters that the PNP would post policemen to guard queues of people buying rice to avoid any violence.

With reports from Michael Lim Ubac and Camille Le Tallec, Alcuin Papa and Jerome Aning

MANILA STANDARD TODAY

FRIDAY
APRIL 11, 2008

Govt may cut middlemen to distribute rice directly



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- Malacañang said it plans to stop selling subsidized rice through traders because of "the temptation" from them to raise prices, or mix the grains with other varieties.

By Francisco Alcuaz Jr.

PRESIDENT Arroyo said the government may distribute rice from its stockpile directly to the poor because traders are inflating prices.

"We are toying with the idea of stopping the release of National Food Authority rice through the public markets," Mrs. Arroyo said in a speech in Abra.

The state agency supplies as much as 17 percent of the nation's rice, Administrator Jessup Navarro said yesterday.

The Philippines, the world's biggest rice importer, expects to buy 2.7 million tons of the grain from abroad this year, two-fifths more than last year, while vowing to step up efforts against hoarding and overpricing.

Mrs. Arroyo this week said she would be "leading the charge" against people "stealing rice from the people."

Rice futures rose to a record this week as exporters including Vietnam, the Philippines' biggest supplier, cut shipments to meet

local demand and curb inflation.

The US Ambassador to Manila on Wednesday said the US would supply the Philippines with rice.

Supplying subsidized rice may have become too expensive for the government, forcing it to restrict sales to the poorest areas of the country, said Teresa Alegado, president of the Confederation of Grain Retailers of the Philippines.

The state-run NFA had a net loss of P1.27 billion last year, narrowing from a P10.97-billion loss in 2006, according to government data.

Mrs. Arroyo said the government might stop selling its rice through traders because of "the temptation" for them to raise prices of the subsidized grain. Local governments may distribute the rice with the help of religious groups, she said.

Local government officials may favor supporters in the distribution of rice, said Alegado of the grain retail association.

She said she had also received reports that local governments have distributed less rice than promised, raising concern about hoarding.

Bloomberg

MANILA STANDARD TODAY

**FRIDAY
APRIL 11, 2008**

Oil prices gush to new high of \$112

By Gillian Wong

SINGAPORE—Oil prices steadied near \$111 a barrel Thursday after jumping to a new record in the previous session—to \$112.21 a barrel—on an unexpected drop in US crude inventories.

And gold traded near its highest this month as the dollar fell against the euro and commodities from crude to corn traded near records, underpinning demand for the precious metal as a hedge against inflation.

Bullion for immediate delivery gained as much as \$1.41, or 0.2 percent, to \$935.41 an ounce and traded at \$932.60 at 10:17 a.m. Singapore time. Silver was unchanged at \$18.195 an ounce.

The US Energy Information Administration's inventory report, closely watched by the market, showed Wednesday that crude stocks fell 3.2 million barrels last week.

The crude inventory draw was a big surprise to the market, which had actually expected an increase of two to three million barrels. It was a substantial drawdown, said Victor Shum, an energy analyst with Purvin & Carter in Singapore.

Analysts surveyed by Dow Jones Newswires had expected, on average, an increase of 2.4 million barrels.

The decline in crude stockpiles pushed light, sweet crude for May delivery up \$2.37 to settle at a record \$110.87 a barrel on the New York Mercantile Exchange on Wednesday. It rose as high as \$112.21 a barrel during the floor session, surpassing the previous trading record of \$111.80 set last month.

On Thursday, the contract rose 2 cents to \$110.89 a barrel in Asian electronic trading by midmorning in Singapore.

Some analysts cautioned against reading too much into last week's drop in crude supplies, noting a sharp drop in imports over the same period.

"Imports have been somewhat erratic. I would say this one week's result is not a trend," Shum said. "It might be compensated by a large import next week."

The EIA also said gasoline and distillate supplies—which include diesel fuel and heating oil—fell more than expected last week, although analysts said gasoline inventory levels remained healthy.

"Gasoline inventories are higher than the historical average at this time of the year, and gasoline fundamentals are actually weakening in the US, so there is really no need to worry about supply being too tight," Shum said.

Analysts expect demand for gasoline and oil to fall further as prices rise. Theoretically, that should bring prices down.

But so far this year, prices have shown little inclination to fall in response to eroding demand. With gasoline supplies shrinking and the Northern Hemisphere summer approaching—when demand, while weaker than last year, will be stronger than it is now—consumers may have to wait until later in the year for price relief.

Also supporting oil prices was the release of a gloomy report by the International Monetary Fund

Wednesday that says the US is headed for a recession, dragging world economic growth down along with it.

The IMF slashed growth projections for the United States—the epicenter of the woes—and for the world economy. Its sobering new forecast underscored the damage inflicted from the US housing and credit debacles.

"Normally, with bearish economic data you would see oil pricing drop, but these days the trading relationship is: bad economic news means bullish movements in oil," Shum said.

Financial market interprets grim news as indications that the US Federal Reserve will further cut interest rates, which would drive the US dollar down, he said. A weaker dollar attracts financial investors to oil and other commodities as a hedge against inflation.

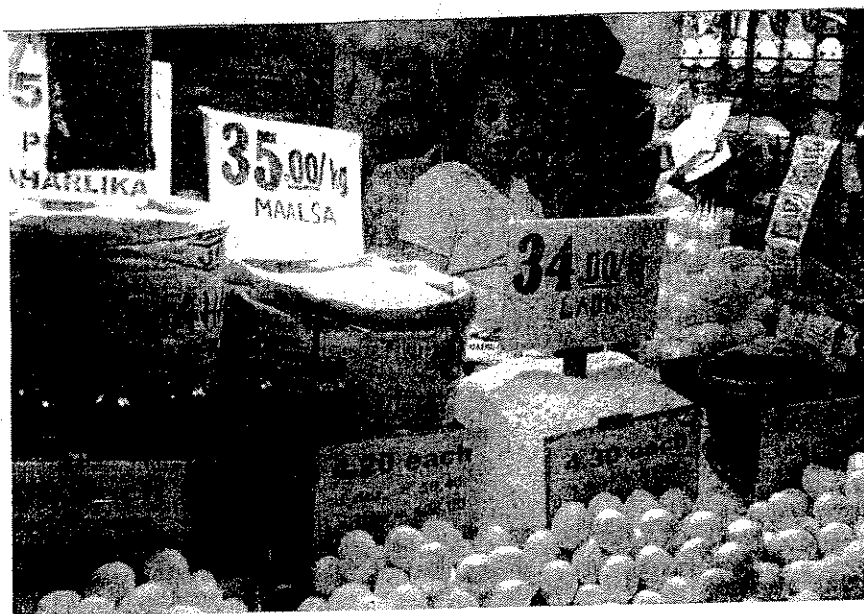
In other Nymex trading, heating oil futures rose 0.55 cent to \$3.24 a gallon while gasoline prices added 0.58 cent to \$2.78 a gallon. Natural gas futures rose 9.4 cents to \$10.15 per 1,000 cubic feet.

Brent crude rose a cent to \$108.48 a barrel on the ICE Futures Exchange in London.

AP with Bloomberg

MANILA STANDARD TODAY

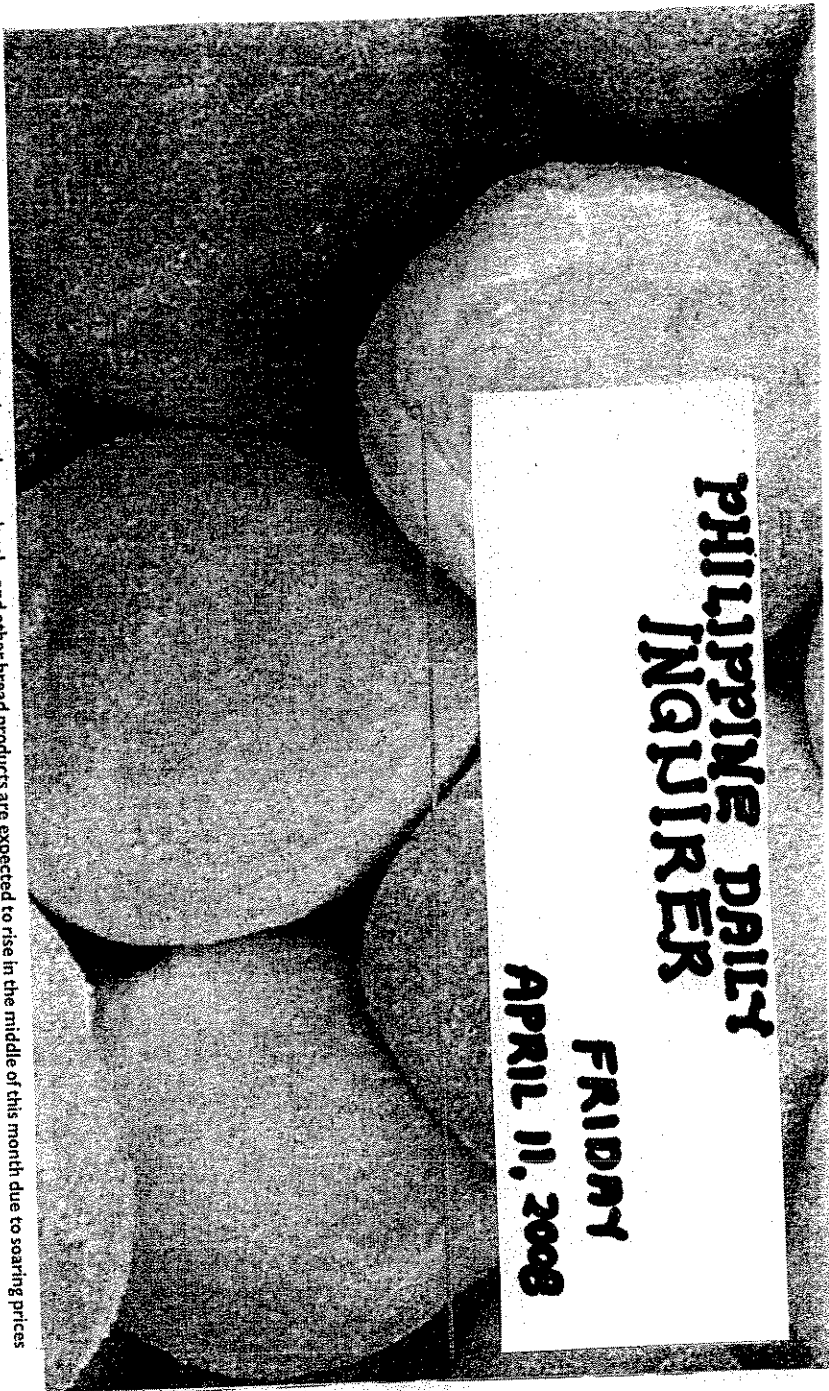
**FRIDAY
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Too high for comfort. The tags reflect the rising prices of prime commodities at the Nepa-Q Mart and in other retail outlets.
MIKE DE JUAN

Bread prices going up, too

PRICES of Juan de la Cruz's favorite breakfast fare—the pan de sal—and other bread products are expected to rise in the middle of this month due to soaring prices of flour in the world market.



PHILIPPINE DAILY INQUIRER

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'Pan de sal' to cost 25% more on April 15

By Ronnel W. Domingo

STARTING APRIL 15, P10 WILL BUY YOU ONLY FOUR small pieces of *pan de sal*, the breakfast fare of Filipinos, instead of today's five because bakers are raising their prices to reflect soaring flour prices amid low global supply.

Three umbrella groups of bread makers yesterday announced that *pan de sal* would cost 16 percent to 25 percent more.

"The result of these price adjustment is that the price of *pan de sal* would go up to P2.50 apiece from P2 for the small size, and P3.50 from P3 for the regular size," said Lucito B. Chavez, vice president of the Philippine Federation of Bakers Association.

A 25-kilogram bag of flour now costs up to P990, a 71-percent increase from P580 in June 2007, according to Chavez.

Prices of wheat, from which flour is derived, have jumped 149 percent since April 2007 and 50 percent since last December, according to Albay Gov. Joey Salceda, an economic adviser to President Macapagal-Arroyo.

A combination of high oil and fuel prices, rising demand for food in wealthier Asia, the use of farmland and crops for biofuels, bad weather and speculation on futures markets have all combined to push up prices of rice, wheat and other food items, prompting violent protests in several poor countries.

PHILIPPINE BREAD INDUSTRY

FRIDAY
APRIL 11, 2008

Bread prices going up, too, on April 15

Also set to raise the prices of bakery products next week are the Filipino-Chinese Bakery Association and the Labak Bakers Association, a group of bakeries based in Metro Manila and other parts of Luzon that mainly produces pan de sal.

Big players follow suit

The Philippine Federation of Bakers Association alone represents some 10,000 members

who run small neighborhood-type operations.

A fourth group, the Philippine Baking Industry Group (PhilBaking), which is composed of big players, said its members were expected to follow suit by the end of the month or early in May.

Asked how the price increases would affect the weight of pan de sal, Chavez declined to give details, saying that each bakery has its own standards depending on the mix of ingredients.

"These details depend on the very tight competition that we see even among [the federation's members]," Chavez said.

Help bakers

Chavez appealed to the government to take steps to help the bakery sector similar to how it was addressing the rice situation.

"We ask that the government secure supplies by importation for direct distribution to bakers," he said.

But Trade Secretary Peter B. Favila said in a television interview that his request to the Chinese government for an allocation of 150,000 metric tons of wheat for the Philippines this year had been turned down.

More price increases coming

PhilBaking president Simplicio Umali Jr. said Favila should make another request this time for flour.

"We have to keep trying," Umali said. "Our monitoring of the international market for wheat, the raw material for flour, shows that the price per bushel increased to \$24.35 for

May deliveries, which means further price increases."

He said the price for June wheat deliveries was pegged at about \$15 per bushel, higher than the \$10.86 set last December.

"We can only hope that the flour millers could temper price increases just as the bakeries are doing," Umali said.

Bread consumption declines

Because of rising prices, domestic bread consumption in March declined by 10 percent compared with the same month in 2007, according to the PhilBaking president.

Surging global food costs are not a temporary phenomenon and prices are likely to stay above 2004 levels until 2015 for most crops, the World Bank said on Wednesday.

In a policy paper prepared for weekend meetings of world finance chiefs in Washington, the World Bank said food prices were set to stay high in 2008 and 2009, and then decline as supply and demand respond to high prices. *With a report from Reuters*

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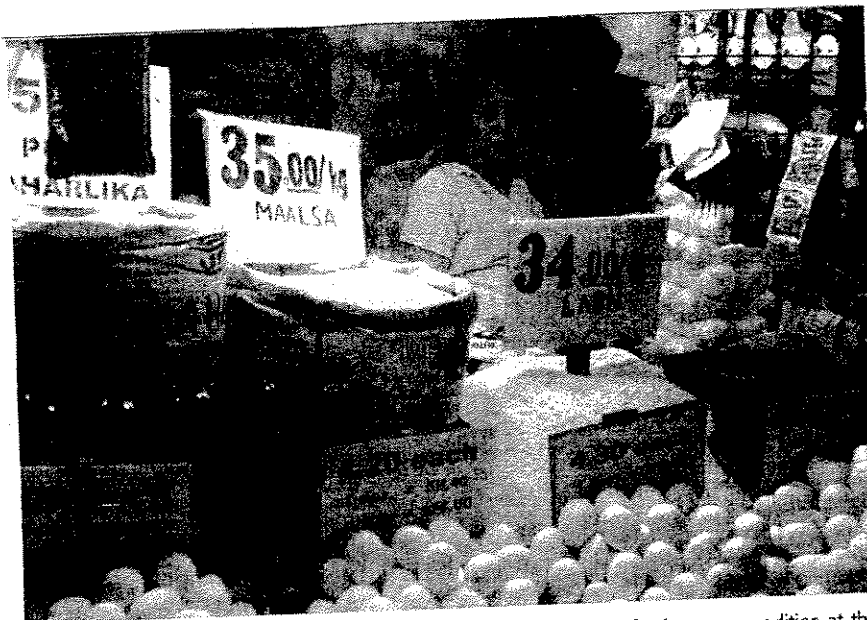
In other Nymex trading, heating oil futures rose 0.55 cent to \$3.24 a gallon while gasoline prices added 0.58 cent to \$2.78 a gallon. Natural gas futures rose 9.4 cents to \$10.15 per 1,000 cubic feet.

Brent crude rose a cent to \$108.48 a barrel on the ICE Futures Exchange in London.

AP with Bloomberg

MANILA STANDARD TODAY

**FRIDAY
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Too high for comfort. The tags reflect the rising prices of prime commodities at the Nepa-Q Mart and in other retail outlets.

MIKE DE JUAN

PHILIPPINE DAILY INQUIRER

**FRIDAY
APRIL 11, 2008**

GMA: Abra, Apayao poor to get P500 in food aid

By Vincent Cabreza
Inquirer-Northern Luzon
and Norman Bordadora
in Manila

PRESIDENT MACAPAGAL-ARROYO yesterday said that the government would give P500 to each of about 10,000 families in Abra and Apayao, the poorest provinces in the Cordillera, to help them cope with rising food prices.

The P500 is on top of the P300 that a family will get for each child, according to the President. The child subsidy, however, will be limited to three children in a family each month.

Ms Arroyo referred to the food aid as "pangtawid [gutom]" or short-term funds to ease hunger.

The government move coincides with the World Bank's suggestion that the least disruptive policy response in dealing with higher prices is for countries to introduce or expand cash transfer programs to the poor.

"These support the purchasing power of the poor without distorting domestic incentives to produce more food, and without reducing the incomes of poor food sellers," the World Bank said in a policy paper prepared for weekend meetings of world finance chiefs in Washington.

Ms Arroyo said in Bangued, Abra, that the National Food Authority (NFA) would also distribute its subsidized rice to depressed communities instead of through the public markets, where daily queues overwhelm its outlets.

To eliminate the long queues at NFA outlets, the agency has raised to five kilos the maximum amount of its subsidized rice that a person can buy in one day.

NFA spokesperson Rex Estoperez said the agency wanted to eliminate the long queues at NFA outlets by allowing consumers to buy five kilos.

The NFA previously allowed a maximum purchase of three kilos. In some areas, the maximum was one kilo.

"If people will buy five kilos one day then probably they will no longer buy rice the next day," Estoperez said in a telephone interview.

No need for IDs, ink

Estoperez said the NFA would also do away with asking for identification cards and placing indelible ink on the fingers of those who buy affordable rice from its outlets.

"There is a need for such measures only when there is rationing. We're not rationing rice," Estoperez said.

He said the ID system and the use of indelible ink were initiatives of NFA provincial outlets to flush out enterprising individuals who buy NFA rice only to sell it to retail stores.

"We will place people in the outlets who will try to remember the faces of the customers," Estoperez said.

He said the NFA office in the Bicol region would start the distribution of NFA rice in barangay centers.

10th poorest province

In Bangued, the President said 7,000 poor families in Abra and 3,000 families in Apayao, who were identified by Social Welfare Secretary Esperanza Cabral, would receive P500 each and an additional P300 allowance for each child.

"Our near term objective is to focus on putting food on the table of our people, but global

prices of rice and of basic commodities like fuel are putting a strain on all hardworking Filipinos," she said.

"This situation has hurt particularly our very poor, like Abra, which is the 10th poorest province in the Philippines, with 51.1 percent of the population under the poverty line," Ms Arroyo said.

Ms Arroyo said the government's action plan was to secure the rice supply, ensure its proper distribution and enforce the laws

against people who hoard it.

Temptation too big

She said directly distributing NFA rice to the poor was essential because the price difference between subsidized rice and commercial rice had become too big.

"The temptation to divert has become too big as well, and that's why we are seeking the help of the LGUs (local government units) and the Church-based communities to help with that identification—where to put the cheaper rice," Ms Arroyo said.

She said certain NFA officials were conniving with traders and were diverting NFA rice, which is supposed to be for the poor.

Same quality

The President said NFA rice and commercial rice were almost the same in quality. "It has to be in the outlets that's different," Ms Arroyo said.

She said selling rice to needy families was more practical.

PHILIPPINE DAILY INQUIRER

FRIDAY

GMA: Abra, Apayao poor to get P500 in food aid

APRIL 11, 2004

The President was in Abra to launch the "Abra Sustainable Agriculture Development Program (Asad)," a priority government project designed to transform degraded and marginal areas into self-sufficient upland farming communities.

Agriculture primary concern

She has released at least P100 million for the Asad. The project is expected to cover thousands of hectares of upland farmlands, and thereby help generate jobs in the area.

Agriculture will become the administration's primary concern in the next few years, according to the President.

She said her strategies involved a major shift in farm productivity techniques by advocating organic fertilizers, like chicken dung instead of processed urea, because Benguet farms have proven that organic fertilizers work as efficiently as the best commercial product.

Ms Arroyo said Abra was promoting a sustainable agricultural development project, which is an integrated commercial farm approach for the terrain.

Best practices such as these should be communicated to the public to encourage local solutions to farming and food supply, she said.

Government has also upgraded its approach to farm infrastructure and technology.

Ms Arroyo announced that Public Works Secretary Hermogenes Ebdane Jr. had set aside at least P300 million to finish the Mariabo bridge, drawing applause from her audience.

The bridge has not been completed because the local government pursued its construction in 1994 despite insufficient funds.

Pura Sumangil, chair of the Concerned Citizens of Abra for Good Government, said the announcement surprised her, although she said the P300-million completion budget that the President had quoted might be too high.

Noodles in schools

Isabela Rep. Rodolfo Albano, meanwhile, proposed that government start distributing rice products such as noodles and flakes in its school-feeding program.

"If you make rice into noodles, it will produce more food when cooked," Albano said at a news forum in Quezon City.

Albano said the government should start serving noodles to reduce the cooking time. *With reports from Reuters, Michael Lim Ubac and Camille Le Tallec*